

English Wages and Prices—an Unending Chase

By W. P. CROZIER

Manchester, England, June—(By Mail). WE ARE at present suffering from an extreme illustration of the "vicious circle" in which wages and prices follow each other unceasingly. Prices are rising in every direction and will continue to rise. The profiteering committees, which were set up by the government to investigate excessive charges, have achieved nothing. It was never to be expected that they would do more than harass a few tradesmen here and there; they could never possibly touch the causes of the general rise in prices. The increase in the cost of living is likely to be heavy by the end of this year and heavier still by next spring. An investigation into the prices at which the principal household necessities are now being manufactured—cotton and woolen goods, glass, ironmongery and the like—was recently held. It has shown that the ultimate wholesale prices of almost all such articles are as great as or greater than the prices at which they are at present being sold retail in the shops. When they, in their turn, come to the retail sale it is estimated that there will be an increase in price of anything from 25 to 75 per cent or more.

Nor is the increase to be dismissed by phrases about profiteering. Increased railway rates, higher prices of raw materials, heavier taxation and municipal rates and—perhaps most important of all—increased labor costs account for most of the present and the coming rise. But labor, as the cost of living rises, demands higher and higher wages. Higher wages are granted and the increase passes into the prices of the articles of consumption and the cost of living rises yet again. So the process goes on interminably.

It goes on all the more rapidly because labor is split up into a thousand different trades and grades and sections, each of which agitates separately for its increase and obtains it. But as soon as one trade or grade or section obtains a large increase, others claim the same. It is not to be expected that if the railwaymen receive a fifty per cent advance, the miners will be content with less. The Lancashire cotton spinners have just made a large demand but they have specified carefully that any agreement reached with the employers will have to be revised if any other comparable section of the cotton operatives—the weavers or the cardroom "hands"—receives a greater advance and, in fact, the cardroom has now demanded a much larger advance than the spinners. So, too, in any one industry, if any inferior grade receives a few shillings a week more, the superior grades immediately insist on a similar increase in order that the difference between them, which marks the difference in the quality of their work, may be maintained.

Thus we are suffering from an unending series of disconnected and sectional demands, each leading to the formulation of others and all of them to increases in the cost of living, and we have, alas! no well-thought-out national nor industrial machinery for minimizing the evils of a chaotic system. The government has been too busy with other cares to see into what confusion we were doomed to plunge and everything is dealt with piecemeal, without method or system.

All these demands are supposed to bear a close relation to the "cost of living," and in actual practice what is meant by this is a decent standard of living for a man with a wife and three children. The Industrial Court before which the claim of the dockers has just been heard published a majority report (signed by two of the employers) which contained a definition of this standard. It is interesting because for the first time it provides a sort of semi-official recognition of the post-war claims of British labor for a better life. It says:

"The true and substantial case presented by the dockers was based upon a broad appeal for a better standard of living. What is a better standard of living? By this is not meant a right to have merely a subsistence allowance, in the sense of keeping the soul and body of the worker together, but a right to have life ordered upon a higher standard, with full regard to those comforts and decencies, which are promotive of better habits, which give a chance for the development of a greater sense of self-respect, and which betoken a higher regard for the place occupied by these workers in the scheme of citizenship. The court did not discourage this view; on the contrary, it approved of it; and it is fair to the port authorities and employers to say that its soundness was not questioned. In the opinion of the court the time has gone past for assessing the value of human labor at the poverty line."

The first question to be answered, therefore, is what amount in cash wages does this standard demand. Three estimates have recently been put forward. The first, by Sir Leo Chiozza Money, formerly a minister in Mr. Lloyd George's Government and now a member of the Labor party, is £5 3s. (American readers can translate these terms roughly into American money by reckoning four dollars to the pound). The second is £6 which was put forward on behalf of the dockers before the Industrial Court. The third is £3 17s. in London and £3 13s. 6d. outside London—an estimate defended by Professor Bowley, one of our leading authorities on economics, and accepted by the employers before the Industrial Court.

The majority report of this Industrial Court approved of the whole of the dockers' demand. It

agreed that they should have a wage of sixteen shillings a day. At present they are getting, as a minimum, 11s. 8d. a day. Now observe the position which arises, especially since even the employers accepted 77s. and 73s. 6d. as a minimum standard for a decent life. If the docker works the full normal week, which consists of eleven half days, he would draw 88 shillings. But that is as much as many skilled engineers are now getting. Is it conceivable that the engineers will be content to receive only as much as the unskilled dock laborer, who has hitherto been regarded as among the humblest in the ranks of organized labor? And it is very much more than the great mass of railwaymen are getting even after the last great strike and the concessions of the government. Is it conceivable that the railwaymen will accept quietly a settlement which leaves them much worse paid than the dockers?

There are, besides, whole classes and grades of workers which are still below Professor Bowley's standard and they will promptly demand that they should be raised far above it, to this level, especially now that the dockers have been so raised. But, it is alleged, the average casual docker works in fact not eleven but only eight half days, and therefore his wages will be not 88s. but 64s. In that event he will be some ten shillings or more below what the employers have actually admitted to be the minimum needed for a decent existence and he will have too strong a case to be denied the additional amount. What, however, the rest of labor sees is only that the dockers are now in a position to obtain 88s. if the work is there and they are comparing these handsome figures, as they think them, with their own more meager earnings. The two representatives of the employers who refused to agree to the 16s. a day laid more stress on the reaction which such a sum would have on less highly paid labor than on any other consideration. They put the case thus:

"Our opinion is that if the 16s. per day were conceded to the lowest-paid workers, corresponding increases would be claimed by all the higher grade of dock workers."

"We estimate that the cost of admitting the claim of 16s. per day, including proportionate increases to the clerical and supervisory staffs, but not including the vast labor or staff employed on maintenance or new works, would be not less than £15,000,000 per annum."

"We direct special attention to the effect of the recommendation upon the recent national settlement of railway wages. Under this the minimum wages of porters at goods depots are fixed at from 57s. to 61s. a week of 48 hours varying with district, giving an hourly rate of from 1s. 2½d. to 1s. 3¼d."

THE United States is not the only nation which suffers from high prices. In this article W. P. Crozier sets forth the facts concerning wages and prices in England, and the story will be very familiar to Americans who have experienced the effect of similar conditions.

We are apt to find fault in this country with our governmental agencies, and it is interesting to note that our own bureaus and boards are not the only ones unable to cope with the situation. Profiteering committees in England have also failed in their efforts to bring down high prices.

There is but one solution to the difficulties in which England finds herself, as the writer sees it: first to increase production at home and second to help Russia, Germany, and the countries that make up Austria-Hungary, to their feet. Strikes and increased wages bring no more relief in England than they are bringing here. They merely complete the "vicious circle."

This contrasts with 64s. 2d., the lowest rate of pay current in the great ports for 44 hours' work, being at the rate of 1s. 5½d. per hour. The minimum rate now demanded for dockers is 16s. a day or 2s. per hour. This is more than 60 per cent above the average minimum of the railway goods porter. Would those railwaymen who work alongside the dockers on the same class of work (many of them for the same employer) and whose union is in the same Triple Alliance, be content with their present settlement?

"Engineers and other craftsmen who have served an apprenticeship are recognized as following a calling superior to that of the docker. To increase the minimum pay of the dockers throughout the country by 23s. 10d. a week (i. e., 5½ times the difference between 11s. 8d. and 16s.) would be to raise it considerably beyond the level of many grades of skilled workmen and would inevitably lead to such workmen throughout the country agitating for corresponding increases in their wages....

"The experience of the notorious 12½ per cent advance to munition workers would be repeated even more disastrously, for the dockers' claim is not for 12½ per cent but for a 37 per cent advance. An advance on this scale (23s. 10d. a week) to the 12,000,000 workers of the kingdom would entail an addition of £750,000,000 to the annual national wage

bill and the cost of commodities. A new vicious circle would be created, still further inflating currency and enormously increasing the cost of living."

There are already clear signs that the dockers' award and the various pronouncements as to a decent standard of life will produce a fresh crop of demands on all sides. The tramwaymen of the country have just asked for an increase of ten shillings a week and the Industrial Council of the tramway industry has awarded them 5s. with an additional one shilling next June. The national union which represents the men has urged the acceptance of these terms but the tramwaymen of Lancashire and Yorkshire have rejected them and have declared a strike at thirty-six hours' notice. Tested by Professor Bowley's minimum their action is not astonishing. Tramway drivers and conductors begin at 62s. a week and after five years a driver is getting 68s. and a conductor 67s. It may be supposed therefore that the way in which the Lancashire and Yorkshire tramwayman looks at the position is this:

	Present Wages	With 5s. Increase	With 10s. Increase	Professor Bowley's Min.	Dockers
Tram Driver.....	68s.	73s.	78s.	73s. 6d.	88s.
Conductor.....	67s.	72s.	77s.	73s. 6d.	88s.

The tramwayman says to himself not that with a 5s. increase he just about reaches the Bowley minimum but that even with a ten shilling increase he is a long way below the wages which the docker, who has no such responsibility for life and limb as the tramwaymen, has been awarded by the Industrial Court. Undoubtedly, the bulk of the railwaymen, many of the miners and engineers and those who work in the lower industries to which the Trade Boards have awarded wages up to 60s. will be thinking much the same thing and will shortly be taking action to secure their own interests.

I have already mentioned the action of the cotton spinners. They and the weavers are asking for a sixty per cent advance on present earnings and the cardroom operatives for 75 per cent. If the latter succeed in this claim then 75 per cent will have to be granted to both spinners and weavers. At Hull the tramwaymen find that they have received 4s. less in increases than the other municipal employees and demand that the difference be made up. In South Wales the railwaymen are asking 16s. a day as a minimum for all grades and a section of the signalmen demands £1 a day. It is an amusing side-product of all this that in one South Wales district the doctors who attend the miners and steel workers have suddenly demanded a yearly fee of 33s. per man instead of the 11s. which they now receive. The men have refused it, the doctors struck at 12 hours' notice and then the whole of the men, 12,000 in number, struck also because of the lack of medical attention in case of accident.

But this is a very serious matter for us for half a score of reasons. It is a specially serious question for the unfortunate members of the middle classes with fixed incomes or with incomes that have only slightly risen and that in no event are likely to rise proportionately to the increase in the cost of living. Besides, this process by which prices force up wages and wages force up prices cannot go on indefinitely, at any rate without great danger, discomfort and injustice. But what can be done? At all events the government can prevent this interminable piecemeal method of settling every dispute in a different manner and before a different tribunal so that each increase granted to any one section is made the basis of a fresh claim by all the others. We can have a number of different courts or tribunals operating for different industries but we could also have a superior court or tribunal investigating the recommendations of the others and keeping both them and the government informed of the consequences which will follow their decisions.

Even then the situation would be difficult enough. For the root trouble, of course, is that we all need to work harder and longer as producers ourselves and that we need to get Europe at work again. The Industrial Court made the following severe reference to the time lost by the dockers in their work:

"In each ordinary working day in the ports of this Kingdom 31,250 hours are lost of labor which is of the utmost value not merely to the prosperity of the ports, but to the needs of the nation. As a matter of figures, it may be added that, to convert that loss into a yearly one, our people at large suffer in the course of twelve months from this system to the extent of 9,375,000 hours."

As to Europe, how can we hope for a return toward the normal while vast territories and industrious populations like Russia, Germany and the countries which make up Austria-Hungary remain idle and desolate, cut off from production? To work hard and to help the countries ruined by the war to work hard, this is at bottom the best solution for the vicious circle around which we are interminably toiling.

Since writing this article I see a statement in which a member of the executive board of the Miners' Federation asks indignantly whether the South Wales miners are to tolerate a minimum wage of 14s. 10d. a day when the dockers have been awarded 16s.!